

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 19, 1996

SUBJECT: **SB 3134 - HB 2995**

This bill, if enacted, will create the Tennessee Real Property Inspectors Act of 1996 which requires the licensure of real property inspectors and places the authority to license with the Tennessee Real Estate Commission.

The bill provides for three levels of licensure:

1. a state certified residential real estate inspector;
2. a state certified commercial real estate inspector; and
3. the state certified general real estate inspector

The bill outlines the general requirements needed to obtain a license, sets out penalty provisions for violations and allows the Commission to establish rules to regulate the profession.

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures of approximately \$36,500 and an increase in recurring state expenditures of approximately \$125,050 to handle the licensing requirements of real property inspectors. Details are shown below:

1 Clerk/Secretary	\$17,000
2 Auditors	50,000
Benefits	16,750
Office Rent	1,300

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Travel	20,000
Development of licensure exam	15,000 (one-time)
Testing	10,000
Computer equipment	19,500 (one-time)
Office landscape	2,000 (one-time)
Miscellaneous expenses	<u>10,000</u>
Inc. in State Expenditures	<u>\$161,550</u>

Enactment of this bill is also estimated to result in an increase in state revenues of approximately \$140,000 annually, which assumes licensing fees will be collected to offset the cost of administration. This estimate assumes that approximately 700 real property inspector licenses will be issued at a fee of \$200 each and that revenues will offset expenses over a two year period.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director